

Port of **Houston** Authority

The Port of Houston: A Major Economic Engine at Work

Presentation to 4th Annual Houston Investors
Conference

Port Commissioner Theldon R. Branch III
April 12, 2016

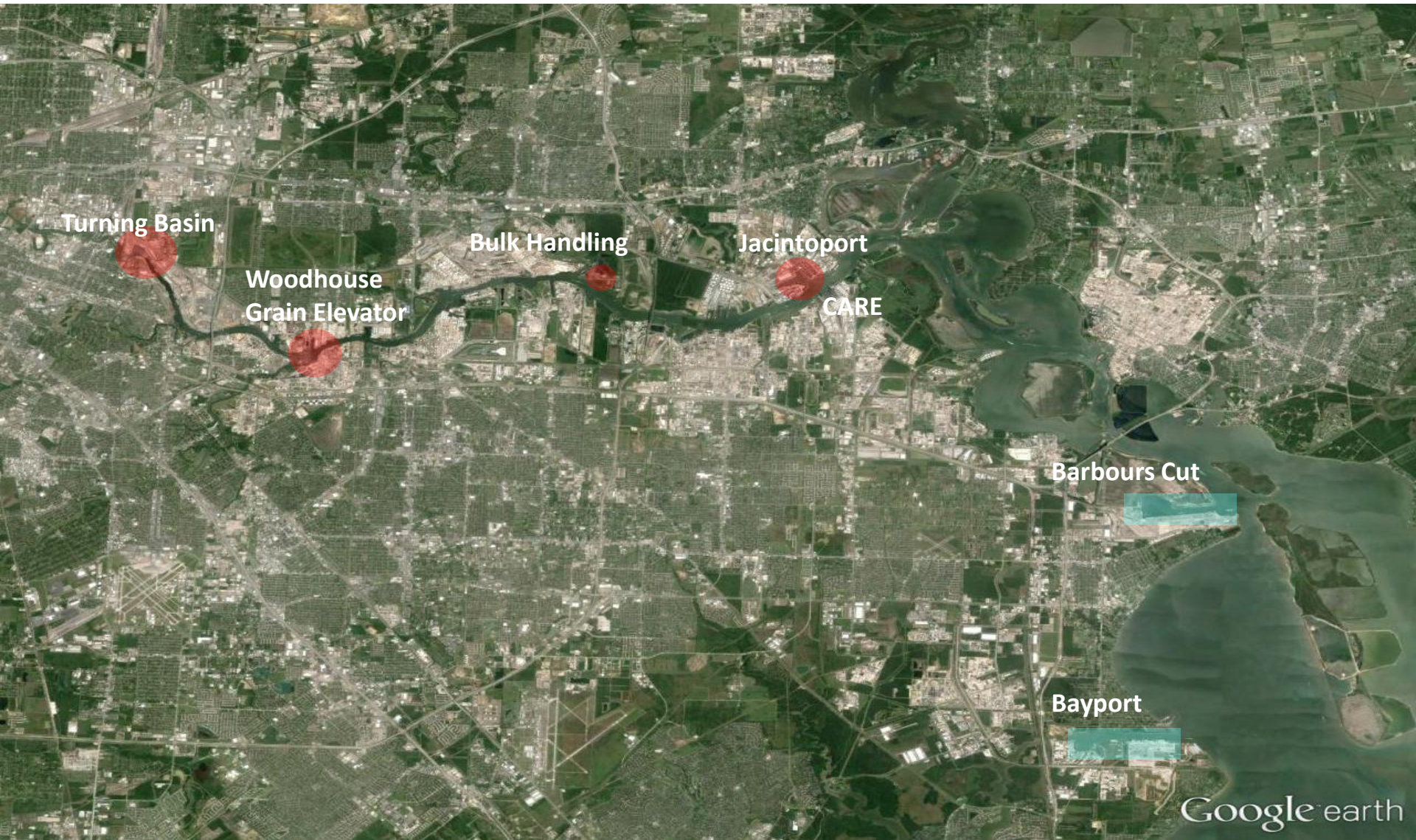


PORT OF HOUSTON HISTORY

- 1911 - Harris County Houston Ship Channel Navigation District
- 1914 - the port officially opens to traffic
- 1926 – USCOE dredges channel to 30 ft.
- 1956 - World's first containership, *Ideal X*, calls the Port of Houston
- Today, PHA handles almost 68% of the containerized cargo in the U.S. Gulf of Mexico



PORT OF HOUSTON AUTHORITY TERMINALS



ABOUT THE PORT OF HOUSTON

- #1 U.S. Port by Foreign Waterborne Tonnage
- #1 U.S. Port in Petroleum, Steel and Project Cargo
- #6 Ranked U.S. Container Port by Total TEUs



PORT COMMISSION



Janiece M. Longoria
Chairman



John D. Kennedy



Dean E. Corgey



Clyde Fitzgerald



Theldon R. Branch, III



Stephen H. DonCarlos



Roy D. Mease

ECONOMIC IMPACTS FOR 2015

**\$265
billion**

**Total Port
Economic
Value**

**16% of
state GDP**

**1.175
million**

**Total Port
Jobs
Generated**

**+148,000
since 2011**

**\$292
million**

**PHA
Operating
Revenue**

**+10%
vs. budget**

**\$127
million**

**PHA Cash
Flow**

**+31%
vs. budget**

2015 RECORD CONTAINER GROWTH

2015 PERFORMANCE

Loaded Container TEUs 12%



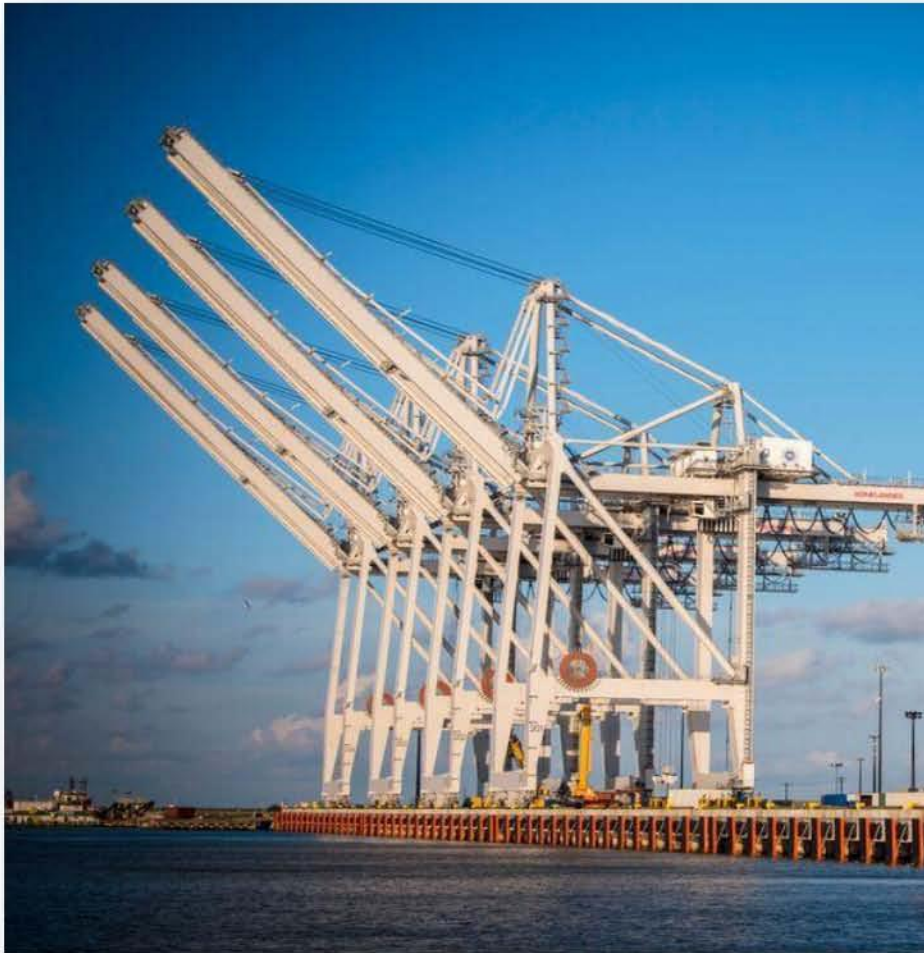
Container Operating Revenue 18%



2 MILLION TEUs... AND COUNTING!



BCT Terminal Investments




BCT Wharf
Cranes arrived
in May



AGRO Refrigerated Cargo Storage Rendering

FUTURE GROWTH OUTLOOK

- 
- Shale Renaissance/Resin Export
 - Population Growth
 - Panama Canal Expansion

SERVING OUR REGION

TEXAS

- 2nd largest state economy in the U.S. - \$1.40 trillion GDP
- 2nd largest state – 8% of U.S. population – 26 million
- Population +8.5% over next 5 years
- 51 Fortune 500 companies

HOUSTON

- 4th largest US metro area – 6.1 million
- Population +9.2% over next 5 years
- 25 Fortune 500 headquarters
- 19th Strongest Economy in the World

IF TEXAS WERE A NATION...

- 11 – Canada
- 12 - Australia
- **13 - TEXAS**
- 14 - Spain
- 15 - Mexico

**IT WOULD HAVE THE 13TH
LARGEST
ECONOMY IN THE WORLD**

Source: Greater Houston Partnership, U.S. Bureau of Economic Analysis, Perryman Group, Texas Comptroller of Public Accounts staff, The Brookings Institution



INFRASTRUCTURE IMPROVEMENTS



WIDER

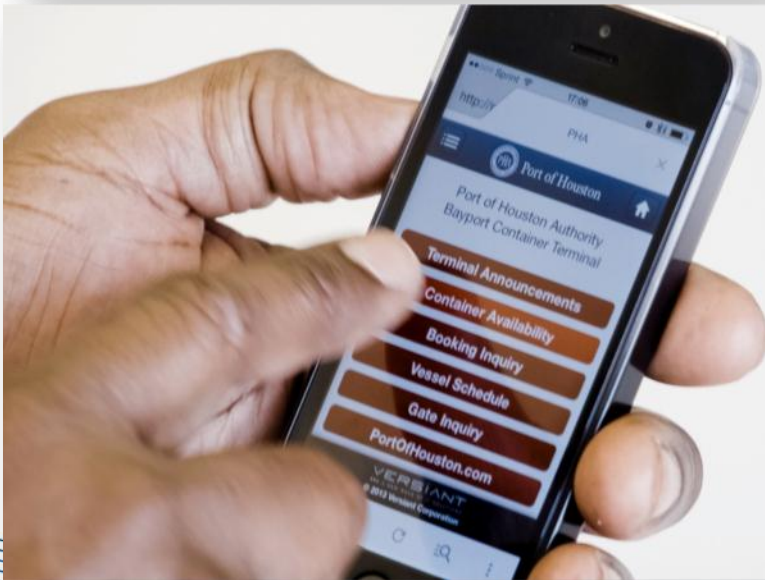
DEEPER

FUTURE CHANNEL - 45FT.



INVESTMENTS TO INCREASE EFFICIENCY

- NAVIS N4 launch successful
- OCR technology at truck gates
- Mobile app for truck drivers
- Extended gate hours by partnering with CBP
- Processed 4,300 trucks/day at Bayport Container Terminal



FREIGHT MOBILITY



FREIGHT INITIATIVES

- Rail bottleneck relief
- Enhanced roadway efficiencies
- Reduced emissions

SMALL BUSINESS DEVELOPMENT

- Established in 2002
- Engage local small businesses, PHA procurement opportunities
- Annual overall 35% small business participation goal on certain contracts

Training and Development Initiatives

- Port University
- Inter-agency Mentor Protégé Program (IMPP)
- Construction Outreach
- Construction Safety Education
- Export Education

CAPITAL PLANNING

- 2016 capital budget of \$314 million designated for channel development and projects at the container terminals and general cargo facilities.
 - Identified about \$1.6 billion in capital infrastructure needs for 2017-2023.
 - Current cash flows fully support day-to-day operating needs plus \$1.1 billion (68%) of these capital improvements.
 - Operating revenues alone cannot sustain the pace of market-driven port infrastructure required to maintain the flow of cargo, job creation and positive economic impact for the region.
 - Considering additional external debt financing to cover the cash shortfall.
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FINANCIAL IMPACT

- The Port Authority has provided a significant return on investment.
- During 2007-2014, the impact of Port Authority facilities was 258,000 additional jobs, or 66% growth.
- Capital investments during this period were \$831 million.

***For every \$1 million of capital investment,
the Port Authority generated 311 jobs.***

- Financial information available on website:
www.portofhouston.com
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Port of **Houston** Authority

WE'RE READY FOR BIGGER THINGS TO COME

